

PAN EUROPEAN FUND

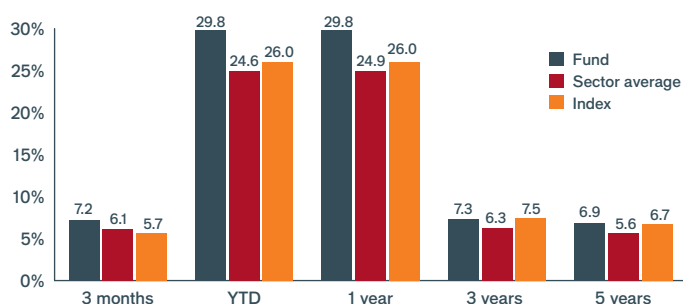
Quarterly review

For promotional purposes | For professional investors only

A large cap core Pan European equities fund designed to:

- **Deliver long-term growth:** uses a high-conviction blend of large and mega cap holdings (to capture sector themes) and under-researched mid-cap stocks (tactical opportunities).
- **Deviate from the benchmark weightings:** unconstrained investment process with no benchmark limitations and the flexibility to seek out alpha across Europe*.
- **Correctly anticipate change:** competitive advantage comes from early insight into macroeconomic and industry trends.

Performance summary (Q4 2019)



Source: Janus Henderson, Morningstar, as at 31 December 2019. Basis: Bid pricing, gross income reinvested, I€ Acc share class, net of fees, cumulative return annualised after one year, in euro terms. Index: MSCI Europe (ex UK) NR. Sector: GIF OS Europe Large Cap Blend.

Performance %

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
2015	Fund	8.90	5.58	2.85	-1.10	2.94	-4.18	3.75	-7.79	-3.12	6.05	3.83	-3.83	13.21
	Index	7.24	6.93	1.76	0.12	1.59	-4.59	4.00	-8.41	-4.29	8.29	2.68	-5.28	8.74
2016	Fund	-6.19	-3.17	0.86	1.20	2.63	-3.77	2.46	0.60	-0.17	-1.91	2.45	5.60	-0.01
	Index	-6.22	-2.20	1.33	1.92	2.28	-4.25	3.51	0.70	-0.03	-0.82	1.09	5.84	2.58
2017	Fund	0.25	1.60	3.68	2.34	0.76	-2.14	-1.01	-1.06	3.89	1.34	-2.72	0.80	7.74
	Index	-0.37	2.92	3.34	1.69	1.53	-2.48	-0.37	-0.78	3.89	1.96	-2.08	0.79	10.24
2018	Fund	2.41	-3.92	-1.84	3.47	1.21	-0.38	2.65	-1.43	0.09	-6.77	-1.29	-5.95	-11.69
	Index	1.60	-3.86	-2.02	4.61	0.11	-0.69	3.11	-2.25	0.53	-5.31	-0.86	-5.53	-10.57
2019	Fund	6.33	4.41	1.75	4.24	-4.31	4.69	1.10	-1.29	2.80	1.54	2.86	2.64	29.76
	Index	6.19	4.15	2.03	3.77	-4.94	4.43	0.30	-1.44	3.76	0.86	2.70	2.06	26.05

Source: Janus Henderson, Morningstar, as at 31 December 2019. Basis: Bid pricing, gross income reinvested, I€ Acc share class, net of fees, individual monthly returns and annual/year-to-date return, in euro terms. Index: MSCI Europe NR.

Past performance is not a guide to future performance. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested.

Market overview

- We were proven right over the second half of 2019 in our bullish and pro-cyclical view as the macro data stopped deteriorating and, over the last few months, showed nascent signs of improvement.
- This coincided with bearish investor positioning in equity markets and record valuation gaps between growth and value stocks.

Key fund characteristics

Sector	GIF OS European Large Cap Equity
Index	MSCI Europe
Launch date	29 September 2000
Fund size	€0.68bn
Number of stocks [^]	50-60
Fund management	John Bennett ^{**}

Source: Janus Henderson, as at 31 December 2019.

Fund return (Q419)	7.2%
Sector average (Q419)	6.1%
Index (Q419)	5.7%

Source: Janus Henderson, Morningstar, as at 31 December 2019. Basis: Bid pricing, gross income reinvested, I€ Acc share class, net of fees, cumulative return annualised after one year, in euro terms. Index: MSCI Europe NR. Sector: GIF OS Europe Large Cap Blend.

* The fund must invest at least two-thirds of its assets in companies listed in Europe, or with a significant proportion of their operations in the region.

**Please note that as of 31 January 2020 Tom O'Hara became co-manager of this fund.

[^] Illustrative figure, subject to change.

Performance overview

- The fund rose by 7.2% over the quarter compared with a rise of 5.7% in the benchmark MSCI Europe ex UK Index.
- Notable strong performers during the quarter included semiconductor firm STMicroelectronics, Swedish vehicle manufacture Dometic and industrial truck manufacturer Kion.
- Detractors from performance included German automotive, defence and electronics group Rheinmetall, Dutch telecommunications carrier KPN and brewer Carlsberg.

Performance analysis over the quarter

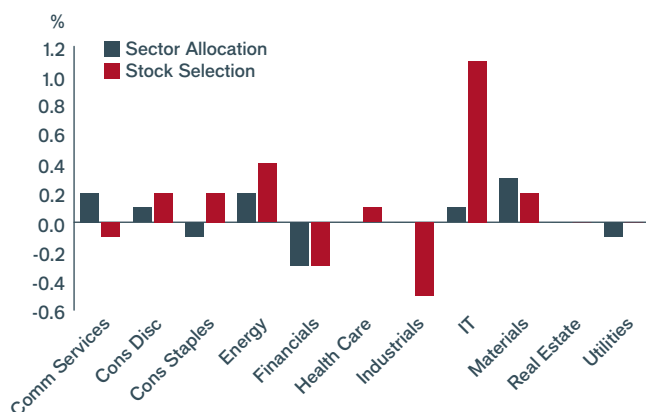
Stock level analysis (relative to the index)

Key contributors	Country	Total effect (%)
STMicroelectronics	France	0.9
Dometic	Sweden	0.5
KION	Germany	0.4
UPM-Kymmene	Finland	0.3
LafargeHolcim	Switzerland	0.2

Key detractors	Country	Total effect (%)
Rheinmettal	Germany	-0.3
KPN	Netherlands	-0.2
Carlsberg	Denmark	-0.2
Wärtsilä	Finland	-0.2
Lloyds Banking Group	Finland	-0.1

Source: Factset/Janus Henderson Investors, at 31 December 2019.

Sector contributions relative to the index



Source: Janus Henderson, Morningstar, as at 31 December 2019.

Portfolio activity through the quarter

Key buys	% of fund
Sandvik	2.9
Volvo	1.6
Sanofi	1.4

Key sales

Wärtsilä	-
Pernod Ricard	-
BASF	-

Source: Factset/Janus Henderson, as at 31 December 2019.

Drivers

Sector optimism and specific growth prospects for 2020.

The holding rose over the quarter.

Solid results reported in 2019.

A new pulp mill could lead to more than 30% earnings growth by 2023.

The holding rose over the quarter.

Drivers

Shares lagged and we booked some profit on the position.

The holding lagged over the quarter.

Sector weakness.

A poor order and trading outlook.

The holding detracted over period.

Drivers

The fund benefitted from good stock selection, particularly in information technology.

The fund has no exposure to utilities.

Drivers

Trading at discount to capital goods sector despite continuing improved resilience in the cycle.

Attractive quality near the bottom of the cycle, strong management and potential for structural improvement.

Management change is positive for the company.

Drivers

Sold on the back of poor order and trading outlook.

Sold from Disposed.

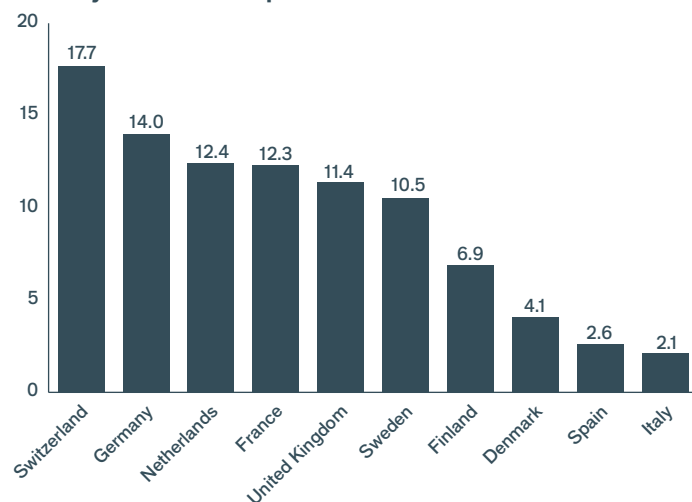
Concerns over full-year 2020 guidance.

Portfolio analysis

Market cap distribution (%)	Fund	Index
>€50bn	33.5	48.6
€20bn-50bn	31.5	26.4
€5bn-20bn	24.4	24.3
€2bn-5bn	8.6	0.7
€500m-2bn	1.3	0.0
Cash	0.7	0.0

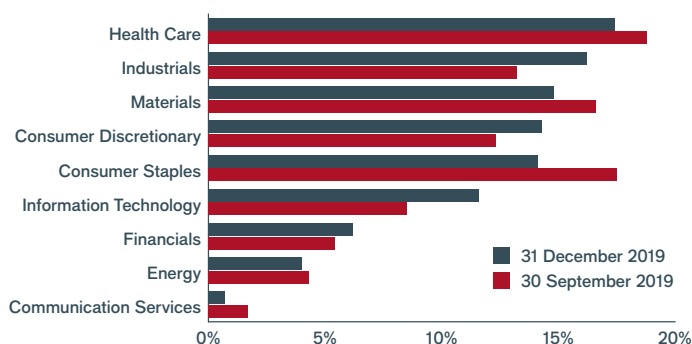
Janus Henderson/Factset, at 31 December 2019. Index: MSCI Europe.

Country allocation: Top 10



Source: Factset/Janus Henderson, as at 31 December 2019.

Change in positioning: sector allocation top 10



Source: Factset/Janus Henderson, as at 31 December 2019.

Portfolio metrics

Risk analysis	Fund	MSCI Europe Index
Value		
Historic Price/Book	2.7x	1.9x
EV/EBIT (historic)	13.0x	15.0x
Growth		
1 year forecast earnings growth	11.8%	10.7%
1 year forecast sales growth	4.2%	3.6%
Quality		
Historic return on equity	18.6%	16.4%
Dividend cover	2.0x	1.8x
Net Debt/EBITDA	1.1x	1.4x

Source: Janus Henderson, as at 31 December 2019.

Risk analysis	
Alpha	-0.8
Beta	1.0
Information Ratio	-0.3
R Squared	94.3
Sharpe Ratio	0.7
Tracking Error	2.3
Volatility	10.5

Source: Janus Henderson/Morningstar, ex-post, three years to 31 December 2019 based on monthly returns. For definitions please refer to glossary details on the back page.

Top 5 stocks by weighting

Name	% of fund	% active weight	Sector
LafargeHolcim	7.4	7.1	Materials
STMicroelectronics	3.9	3.7	Information Technology
UPM-Kymmene	3.7	3.5	Materials
Nestlé	3.4	0.0	Consumer Staples
ASML	3.3	2.0	Information Technology

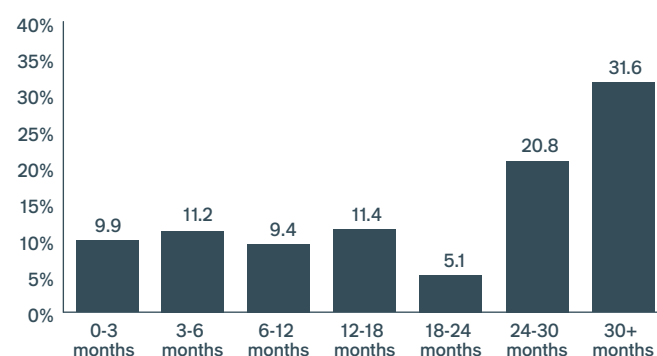
Source: Janus Henderson, Morningstar, as at 31 December 2019. Active weight indicates exposure relative to the MSCI Europe Index.

Activity

The portfolio remains overweight materials, industrials and information technology and heavily underweight financials, reflecting our views on prospects for the European banking sector.

The strategy currently has no exposure to utilities.

Current holding period (% of fund)



Source: Factset/Janus Henderson, as at 31 December 2019.

Note: The chart shows the holding period of current positions.

Outlook

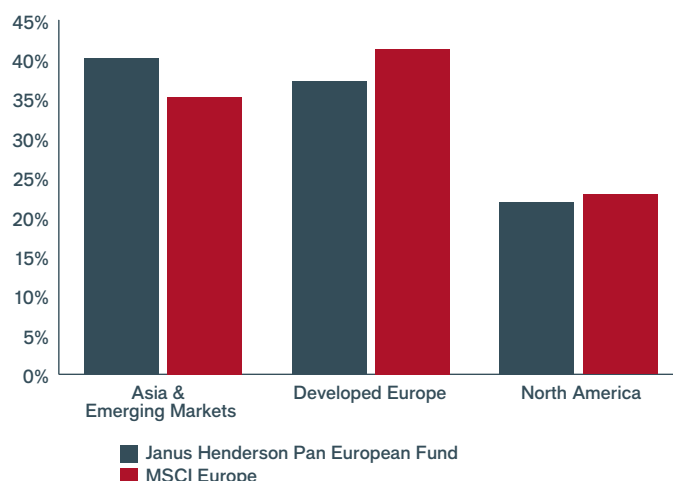
From the macro environment described above, the upcoming year may well lend itself to our strategy which remains focused on a portfolio of bottom-up, well-researched stock ideas, reasonably balanced across sectors and factors, avoiding strong tilts, be they factor or style.

Key holdings

Structural winners	Idiosyncratic value
Adidas	AkzoNobel
ASML	Autoliv
Deutsche Börse	Carlsberg
Grifols	GSK
Mowi	KION Group
	LafargeHolcim
	STMicroelectronics
	Nokian Renkaat
	Rheinmetall
	Sandvik
	Sanofi
	SBM Offshore
	UPM-Kymmene
	Volvo

Source: Janus Henderson Investors, as at 31 December 2019

International exposure – revenue breakdown



Source: Janus Henderson Investors, at 31 December 2019
Note: Totals may not add up to 100 due to rounding

Glossary

Please see [HGI.co/glossary](https://hgi.co/glossary) for a glossary of financial terms used in this document.

Janus Henderson
—KNOWLEDGE. SHARED—

Important Information

For institutional/ sophisticated investors / accredited investors qualified distributors use only. Not for onward distribution. All content in this document is for information or general use only and is not specific to any individual client requirements. Janus Henderson Capital Funds Plc is a UCITS established under Irish law, with segregated liability between funds. Investors are warned that they should only make their investments based on the most recent Prospectus which contains information about fees, expenses and risks, which is available from all distributors and paying agents, it should be read carefully. An investment in the fund may not be suitable for all investors and is not available to all investors in all jurisdictions; it is not available to US persons. Past performance is not indicative of future results. The rate of return may vary and the principal value of an investment will fluctuate due to market and foreign exchange movements. Shares, if redeemed, may be worth more or less than their original cost. This is not a solicitation for the sale of shares and nothing herein is intended to amount to investment advice. This document does not constitute investment advice or an offer to sell, buy or a recommendation, nor should it be taken as a basis to take (or stop taking) any decision, for securities, other than pursuant to an agreement in compliance with applicable laws, rules and regulations. Janus Henderson Group plc and its subsidiaries are not responsible for any unlawful distribution of this document to any third parties, in whole or in part, or for information reconstructed from this document and do not guarantee that the information supplied is accurate, complete, or timely, or make any warranties with regards to the results obtained from its use. As with all investments, there are inherent risks that each individual should address. The distribution of this document or the information contained in it may be restricted by law and may not be used in any jurisdiction or any circumstances in which its use would be unlawful. This presentation is strictly private and confidential and may not be reproduced or used for any purpose other than evaluation of a potential investment in Janus Capital International Limited's products or the procurement of its services by the recipient of this presentation or provided to any person or entity other than the recipient of this presentation. We may record telephone calls for our mutual protection, to improve customer service and for regulatory record keeping purposes.

Issued in Europe by Janus Henderson Investors. Janus Henderson Investors is the name under which investment products and services are provided by Janus Capital International Limited (reg. no. 3594615), Henderson Global Investors Limited (reg. no. 906355), Henderson Investment Funds Limited (reg. no. 2678531), AlphaGen Capital Limited (reg. no. 962757), Henderson Equity Partners Limited (reg. no. 2606646), (each registered in England and Wales at 201 Bishopsgate, London EC2M 3AE and regulated by the Financial Conduct Authority) and Henderson Management S.A. (reg. no. B22848 at 2 Rue de Bitbourg, L-1273, Luxembourg and regulated by the Commission de Surveillance du Secteur Financier). The extract prospectus (edition for Switzerland), the articles of incorporation, the extract annual and semi-annual report, in German, can be obtained free of charge from the representative in Switzerland: First Independent Fund Services Ltd ("FIFS"), Klausstrasse 33, CH-8008 Zurich, Switzerland, tel: +41 44 206 16 40, fax: +41 44 206 16 41, web: <http://www.fifs.ch>. The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. The last share prices can be found on www.fundinfo.com. For Qualified investors, institutional, wholesale client use only. Austrian investors may obtain the current prospectus and simplified prospectus free of charge at Bank Austria Creditanstalt AG, AM Hof 2, 1010 Wien, Austria. This document is not for public distribution in Belgium. German investors may obtain the current prospectus and simplified prospectus free of charge at State Street Bank GmbH, Briener Str. 59, D-80333, Munich, Germany. The Fund has been registered under the Act of the supervision of investment institutions in the Netherlands. Dutch investors may obtain the current prospectus, simplified prospectus, annual report, semi annual report and Memorandum & Articles of Association from Citi Funds Services (Ireland) Ltd (in their capacity as administrator). Janus Henderson Capital Funds Plc is an Irish collective investment scheme (IC) registered in the National Securities Market Commission's (CNMV) registry with registration number 265. Its custodian is Brown Brothers Harriman Trustee Services (Ireland) Limited and its Investment Advisor is Janus Capital International Limited, authorised and regulated by the Financial Conduct Authority. Investors are warned that they should make their investments based on the IC's latest documentation. You may consult with and request from the distributor (Allfunds Bank, S.A.) and subdistributors in Spain as well as from the registries of the CNMV a copy of the marketing memorandum, the prospectus and the latest published economic reports. The Custodian in Spain is Citibank Europe plc, Spanish Branch. This document is intended to be distributed in Italy only to persons qualifying as professional investors, pursuant to article 31, paragraph 2, of CONSOB Regulation 11522/1998. Any further dissemination of this document to other persons who do not qualify as professional investors is not permitted nor is authorised by Janus Henderson Investors. Janus Henderson is the trademark of Janus Henderson Group plc or one of its subsidiaries. © Janus Henderson Group plc. For more information or to locate your country's Janus Henderson Investors representative contact information, please visit www.janus Henderson.com.

H044138/0120